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Sent: Wednesday, December 6, 2006 6:52 PM
To: ODC <ODC@usdoj.gov>
Subject: Distributor Notification
Attach: Southwood_notice to distributors.doc

If you have any questions pertaining to the attached Word document, please contact the Diversion Group in Riverside, CA at (951) 328-6200. If you are unable to open this Word document, please contact me and I will transmit it to you in another format.

<<Southwood_notice to distributors.doc>>

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- Southwood_notice to distributors.doc



On December 6, 2006, an Order to Show Cause and Immediate Suspension Order was issued to Southwood Pharmaceuticals, Inc. (DEA Certificate of Registration RS0204898). As of that date, Southwood's authority to manufacture or distribute controlled substances is suspended. Such suspension will remain in effect until a final determination is reached in these proceedings. During the duration of the suspension, DEA registrants may not sell to or purchase from Southwood any controlled substances.

The Deputy Administrator of DEA issued a preliminary finding that Southwood has failed to maintain effective controls against diversion and that the continued registration of Southwood would be inconsistent with the public health and safety. Specifically, Southwood supplied large quantities of hydrocodone to pharmacies that it knew or should have known were diverting hydrocodone. Several of Southwood's largest purchasers of hydrocodone are pharmacies engaged in schemes to dispense controlled substances based on prescriptions that are written for other than a legitimate medical purpose and are based on orders placed by customers using various Internet websites. Practitioners then "approve" prescriptions for hydrocodone and send them via the Internet or facsimile to the dispensing pharmacies. In many instances, the prescribing and/or dispensing of controlled substances violated state laws.

Southwood is given an opportunity for an administrative hearing within 60 days from the issuance of the Order to Show Cause and Immediate Suspension Order. After the hearing, the Deputy Administrator will make a final decision on whether Southwood's DEA Certificate of Registration should be permanently revoked. The decision will be published in the Federal Register.